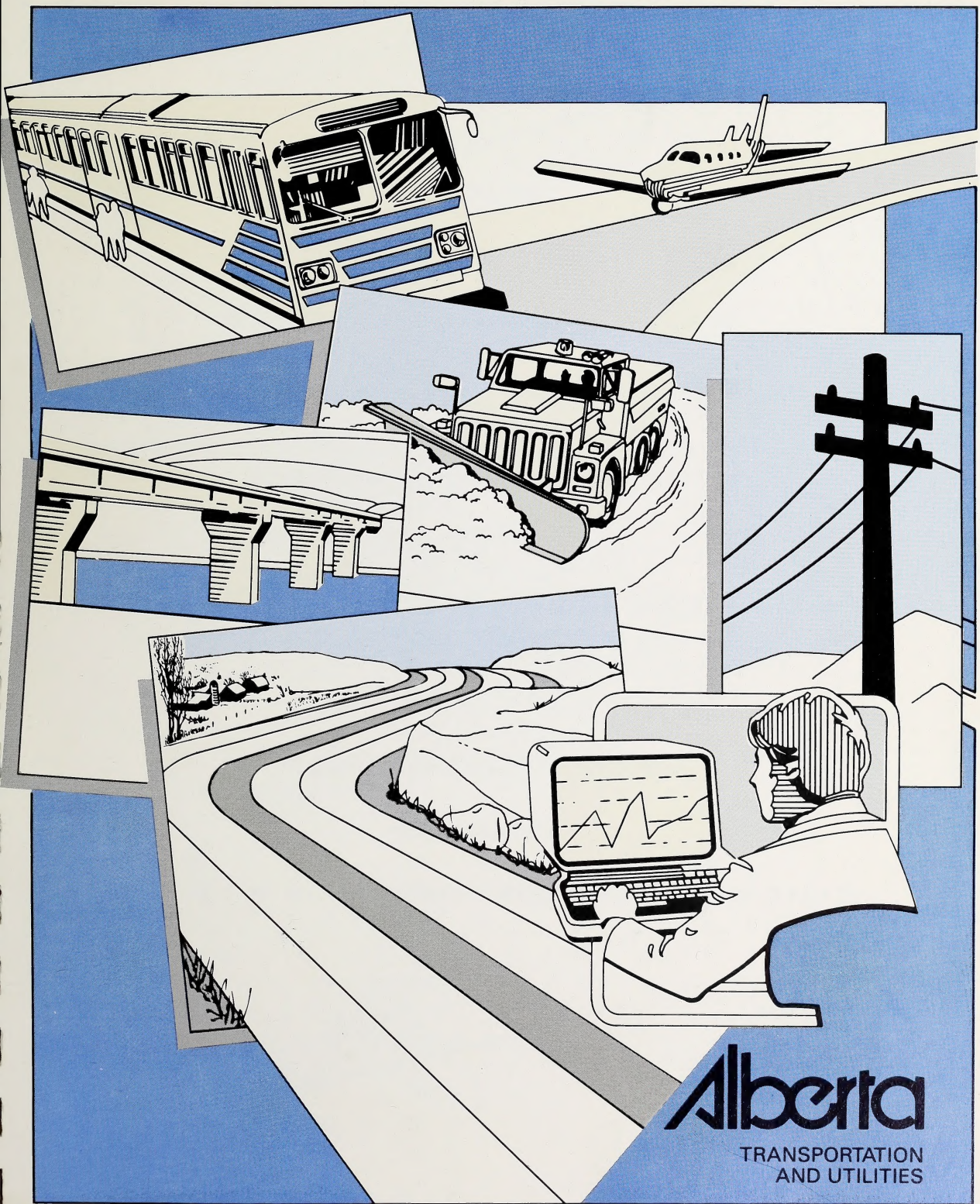


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STRATEGIC DIRECTIONS 88-90



Alberta
TRANSPORTATION
AND UTILITIES

THE MISSION

OF

ALBERTA TRANSPORTATION AND UTILITIES

IS TO EFFICIENTLY

PROVIDE AN INTEGRATED TRANSPORTATION SYSTEM FOR THE
MOVEMENT OF GOODS AND PEOPLE

and

ENHANCE THE AVAILABILITY AND AFFORDABILITY OF
UTILITIES SERVICES

all of which are

SAFE, EFFICIENT AND EFFECTIVE

and support the

SOCIAL AND ECONOMIC DEVELOPMENT NEEDS OF THE PUBLIC

Alberta

TRANSPORTATION AND UTILITIES

2nd Floor, Twin Atria Building, 4999-98 Avenue, Edmonton, Alberta, Canada T6B 2X3 403 / 427-2081

Office of the Deputy Minister

CANADIANA

APR 14 1992

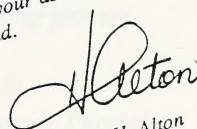
May, 1988

Last year, we formalized the strategic planning process that is in place today. The process has been undergoing refinement over the past year, and I am most satisfied with its progress to date and the way it has served the department.

The strategic planning process is intended to make the department's policies forward looking and responsive to our changing environment. The process will aid the department in viewing change as an opportunity not as a threat. It includes the assessment of external outlooks and emerging issues all in consideration of developing a unified sense of mission to help us cope with changing provincial transportation and utility requirements.

Department employees can take pride in the fact that transportation and utility services and facilities in Alberta are second to none. Over the past few years we have been able to continue to achieve our goals, by being more productive and innovative, and by providing the most complete information for policy development and decision making at all management levels. The strategic planning process will aid the department in positioning itself towards a future direction, which builds upon past accomplishments and successes.

The directions are intended to ensure that the department can continue to maintain a high level of service that supports the economic and social wellbeing of our citizens and that makes the department a better place to work. In order to accomplish the goals outlined in the document, we need the cooperation and assistance of everyone in the department. With your assistance, I look forward to adapting to changing times and welcoming the challenges ahead.



H. Alton
Deputy Minister

PREFACE

Background and Purpose

Alberta Transportation and Utilities, along with other government agencies, has recently experienced and undergone a period of economic uncertainty and change. Although the department will continue to operate in an environment characterized by change, the future looks bright given our resource base, our diversification successes and the opportunities created by free trade. The strengthening of the Alberta economy combined with the government's fiscal position will result in new opportunities for the department. This in turn presents a major challenge: to identify and capitalize on future opportunities in an effort to better position the department in responding to the transportation and utility priorities of Albertans.

In an effort to address this challenge, the department initiated a strategic planning process which is intended to make the department's policies forward looking and responsive to our changing environment. The value of the process lies in ensuring that investments are of continuing value and in identifying in advance the need for improvements to support long term prosperity.

This strategic direction document focuses on external outlooks and their implications facing the department, and advances departmental responses in the form of strategic directions. These general strategies are intended to provide guidance to department managers in formulating action plans at all levels and activities such that high

quality of service to the public is maintained and fostered.

The report, in summary, is designed to meet five basic objectives:

- o To clearly and concisely identify the challenges facing the department;
- o To aid in setting department direction over a longer time frame;
- o To facilitate the efficient operation of the department given its new structure;
- o To follow up on the previous year's directives proposed through the division and branch planning sessions; and
- o To continue the development of a formal strategic planning process.

The scope and format of Strategic Directions 1988 - 90 has changed from last year's document to reflect a more long term, forward looking perspective. Part 1 outlines the strategic planning process while Part 2 focuses on the department, its mission and goals and its management philosophy. Outlooks and Implications are addressed in Part 3 of the document, culminating with their resultant strategic directions in Part 4. Achievements from last year's directions are outlined in the Appendix.

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PART 1

The Strategic Planning Process

1.0 The Strategic Planning Process

1.1 Introduction

Alberta Transportation and Utilities operates in an environment characterized by change in many areas including the economy, technology and social values. In order to ensure that the department's policies and programs remain appropriate to changing needs and in an effort to chart a feasible approach to the delivery of transportation and utility services, the department has embarked upon a formal strategic planning process.

This process allows for the systematic review and monitoring of external issues on the department's programs and future directions. This reflects the department's desire to be sensitive to its changing environment in developing appropriate responding strategies. The department's policies must complement and acknowledge the government's overall views and thrusts. The Minister brings to the process the directions and objectives of Cabinet and caucus colleagues to ensure that the expectations and aspirations of Alberta residents are identified and reconciled within the overall framework of the department's programs and policies.

The strategic planning process will ensure that many interested parties have input. The process is undertaken on an annual basis to identify policy modifications and new directions at an early stage and to advance

and incorporate these directions into the department's program plans and associated budgets.

1.2 Strategic Planning Management Structure

In order to facilitate and coordinate the strategic planning process, the department has established a strategic planning management structure.

The Executive Committee is the department's principal strategic planning committee with overall responsibility for policy planning and establishing strategic directions. This committee, in addition to being responsible for carrying out the formal strategic planning process, also gives policy advice to the Minister and government with respect to the department's overall mandate.

The Executive Committee and ad-hoc sub-committees will guide the strategic planning process which, in addition to identifying emerging issues and future directions for the work of the department, sets the departmental perspective for strategic planning activities and maintains a unified sense of mission throughout the department. Divisions, branches and individuals will all have a role to play in formulating the department's future direction throughout the planning process.

The Strategic Planning, Policy and Management Branch is responsible for facilitating, integrating and coordinating strategic management in the department. The branch acts as an information resource unit and prepares the Strategic Directions Document.

1.3 Strategic Planning Process

The process, which is characterized by a 15 month cycle, provides for the systematic and continuous reconsideration of the department's objectives and future direction. The process has been planned to coincide and link with the budget planning process. The timing and length of the strategic planning process will facilitate the translation of the department's general directions into specific programs and operational plans. The resultant resource requirements will be utilized as the framework for the department's annual budget submissions.

Iterative planning phases facilitate the development of a strategic plan which incorporates current requirements as fully as possible while anticipating future directions with a high degree of confidence.

The strategic planning cycle is composed of five phases.

Phase I: Information Base for Decision Making

The strategic planning process is initiated during the fall and winter period of the year. The process begins with the monitoring of social, economic and technological developments in the external environment, emerging issues and future trends.

The purpose of this phase of the cycle is to ensure that the Executive Committee has relevant and timely information prior to embarking on strategic planning for the upcoming budget planning cycle. The information gathered in this phase will be

advanced through pre-planning materials and presentations, and includes a review of the accomplishments and objectives of the previous year.

Phase 2: Strategic Planning Sessions

In this phase of the process, the Executive Committee assesses the information contained in the pre-planning documents in an effort to determine and define what the department should strive for in the next few years. In addition to the pre-planning information, other inputs to this component include feedback from the division and branch strategic planning sessions, a review of the department's mission and objectives and a review of management and departmental issues and strategies from previous planning cycles.

Phase 3: Implementation Planning

This phase is critical to the success of the strategic planning process. Upon receiving direction from the Executive Committee, middle management is responsible for developing implementation plans to accommodate the new strategic directions, especially new initiatives. These plans define the resources required and the activities or techniques to be mobilized in meeting the divisional and branch objectives in support of the departmental strategic directions. Key decisions have to be made in this phase about resource levels and allocations for the department. If necessary, objectives may have to be brought in line with available resources.

Phase 4: Implementation of Strategic Directions

The results of the first three phases of the planning cycle culminate in the publication of the Strategic Directions document at the beginning of the new fiscal year. The divisions and branches are responsible for implementation plans arising out of the strategic planning process.

As mentioned previously, the timing and length of the strategic planning process has been designed to accommodate the needs of the government's financial allocation process. This ensures that the department's long range and annual plans are matched with available resources.

Phase 5: Follow-Up and Review

The last phase of an effective process is to monitor plans developed and in general to assess the overall process. This phase entails a review of the strategic planning process to ensure that any deficiencies are noted and improvements are incorporated into next year's process and resultant plans.

PART 2

The Department

2.0 The Department

2.1 Introduction

Alberta Transportation and Utilities is the result of the May 8, 1986 amalgamation of the former departments of Transportation and Utilities. The new department has assumed the responsibility for provincial interests and requirements for all transportation and utilities areas.

The department has developed a strong core of expertise in transportation and utilities planning, design, construction, and maintenance, and in loans and grants administration. Approximately 2900 permanent employees including employees funded through the revolving funds complimented by about 1000 person years of seasonal employment, provide the mechanism to fulfill the requirements of Alberta's transportation and utility needs.

The mobility of people and goods is basic to attaining development and quality of life objectives of the province. The department is involved in the following complementary businesses: infrastructure development and maintenance; safety; regulations and municipal services. The department delivers roadway and community airport programs, and assists municipalities in road and transit facilities. The department is also responsible for administering components of the regulatory system governing the safety of commercial highway users. As one of the department's highest priorities, safety of the traveling public is continually evaluated and monitored in relation to all department programs and projects.

Another primary departmental role is to enhance the availability and affordability of utility services to Albertans. To achieve this, loan, grant, and other support programs are provided mainly to rural and agricultural areas for gas utility, electric utility and farm water transmission system development; to municipalities for water and sewage system development; and to individuals in support of heating fuel costs.

Staff provide technical, financial and other advisory services to nearly 350 rural utility associations. Technical and financial advice is provided to over 360 rural and urban municipalities in the planning and development of their water and sewage systems. The department also provides policy advice to the Government to facilitate the orderly development of the utilities sector and to achieve objectives for the pricing of utility services for Albertans.

Alberta Transportation and Utilities also plays an important role in providing employment throughout the province. Initiatives include utilization of the contracting industry to implement construction, right-of-way clearance and campground maintenance programs, sign fabrication and vehicle maintenance. The use of engineering consultants also provides employment opportunities throughout the province in pre-construction engineering, materials testing and legal survey projects.

The department maintains effective two-way communications through direct public participation activities, dialogue with municipal officials and input by elected

representatives. This allows the department an opportunity to assess changing attitudes, values and requirements in fulfilling its mandate to satisfy the transportation and utilities needs of Albertans.

2.2 Mission, Goals and Objectives of Alberta Transportation and Utilities

In accordance with the objectives of the Government of Alberta, the *Department's Mission* as stated in the front of this document, defines areas of responsibility and describes the direction and thrust of the department. All department activities in both transportation and utilities contribute to the social and economic well being of the province's citizens.

In order to support Alberta Transportation and Utilities' mission, twelve goals have been established by the Executive Committee. These goals represent the desired long term direction towards which the department intends to direct its efforts. As goals, they are general in nature, and lay the foundation upon which department program directions and management priorities are based.

To be Recognized as Providing Superior Transportation and Utilities Systems to the Public.

This goal acknowledges the department's role in developing and providing quality transportation and utility infrastructure and services which support Alberta's regional, industrial initiatives and other economic and social objectives. This goal will always remain a high priority.

To Improve the Safety of the Transportation System.

One of the department's highest priorities is the safety of the traveling public. This goal is oriented towards ensuring that departmental plans reflect a high priority for safety initiatives, programs and system designs.

To Maintain or Upgrade the Level of Service of the Transportation System.

The highway system in Alberta is widely recognized as one of the best. The protection of the province's existing investment requires that rehabilitation and maintenance be given the highest priority possible to ensure that this system be protected to avoid significant deterioration.

To Continue to Improve the Efficiency in the Movement of People and Goods.

This goal strives to provide Alberta with transportation services which contribute to economic competitiveness and ensures that the transportation network responds effectively to anticipate the social and economic needs of the public.

To Facilitate the Provision of Safe and Reliable Utilities Services to Albertans.

The department strives to ensure that its loan and grant programs and regulatory, technical and financial advisory activities support the development and maintenance of utility services and uphold installation safety standards in those areas under its purview.

To Increase the Equality among Albertans of Accessibility To, and Cost of, Utilities Services.

A key ongoing goal is to ensure that programs and advisory services continue to respond to changing needs for utility services of Alberta's agricultural, rural and remote communities and special needs groups. In its advice on policy and other initiatives affecting the utilities sector, the department aims to support economic and social development objectives.

To Increase the Effectiveness of Rural Utility Co-operative Associations.

The department aims to assist rural gas, electric and water/sewage co-operatives and their provincial organizations in delivering utility services in an effective manner at the lowest cost possible to their rural Alberta members. This is accomplished through business, regulatory, technical, and other advice and support.

To Facilitate the Orderly and Planned Development of Alberta Municipal and Private Sector Utilities.

The department provides options and advise to the government on the regulatory framework, the scheduling of electricity generating plants and other facilities, and policies and programs affecting the future development of Alberta's utilities.

To Continue to Improve our Working Relationships with Municipalities and All Publics.

The department will pro-actively meet client needs in order to enhance its commitment to service excellence.

To Continue to Improve Productivity, Competence and Motivation of the Workforce.

By recognizing and building upon people's talents, the department will provide an organization which is productive, competent and motivated. Staff are making important contributions to productivity improvements, that will be applied within the department and serve as a model for others.

To optimize the use of Resources through Innovation, Research and Technology.

This year, the department has emphasized its commitment to research and the application of the results and to the transfer of new technologies and processes into all areas of the department.

To demonstrate Leadership at Provincial Forums.

This goal is oriented to promote cooperation and to bring new ideas and concepts to Albertans.

In addition to the twelve goals previously discussed, eight objectives have been developed, and assigned to members of the executive or their designates.

1. To develop specific proposals for the implementation of productivity initiatives.

A.D.M. Planning and Development

2. To enhance and implement the department's communication plan.

Assistant to the Deputy Minister

3. To enhance and implement the existing human resource plan.

A.D.M. Administration

4. To implement a new structure and identify core staff needed to meet the requirements of the department.

Executive Director Reorganization

5. To reduce overall collision, fatality and injury rates by 10% from 1985 to 1990 and promote safety in construction and use of utilities.

A.D.M. Motor Transport Services

A.D.M. Support Programs

6. To develop a plan to support the optimum use of resources through innovation, research and technology and begin implementing in 1989.

A.D.M. Planning and Development

7. To evaluate the effectiveness, efficiency and delivery of existing programs and propose new initiatives as appropriate and begin implementing in 1989.

A.D.M. Planning and Development

8. To review the appropriateness of existing standards, legislation and regulations to optimize the safety and efficiency of the transportation and utilities system; implement changes in 1989.

A.D.M. Planning and Development

2.3 Organizational Structure

Over the last few years, significant changes have occurred in both the department's mandate and operation. The amalgamation of the Utilities Department and Alberta Transportation and the impact of the early retirement program has created additional challenges.

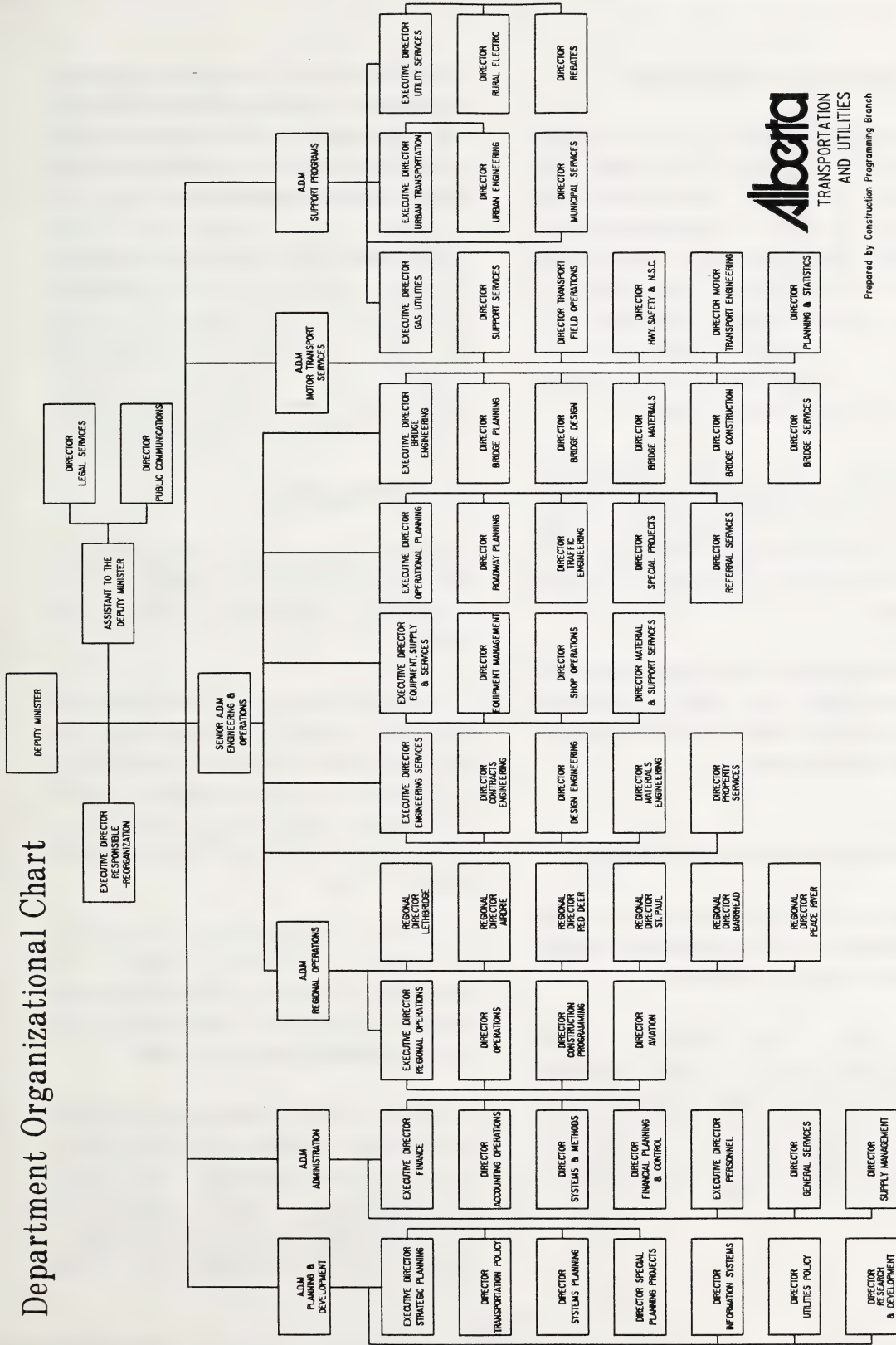
To allow the department to conduct its duties in an efficient manner and to enhance the coordination and quality of services to the public, the organization as illustrated in Exhibit 2.1 has been adopted. This organizational structure, which fully integrates the departments of Transportation and Utilities, provides for strong departmental leadership, coordinated policy development and program planning and effective delivery of products and services.

More specifically, the key characteristics of the organizational structure include the grouping together of staff performing similar functions in order to maintain a strong, lean, results oriented department. The amalgamation of the Engineering and Operations Division bring together the disciplines of

highway planning, design, construction and maintenance in order to provide a greater degree of team work. The initiation of a Planning and Development Division will provide direction in policy development, long term planning, strategic planning and program evaluation. It includes two areas which are critical to productivity improvement, research and development and information services. The important role Transportation and Utility support programs play in facilitating the development of transportation systems and utility services has been given a high profile in the department.

Perhaps the most notable characteristic of the department's new structure is the establishment of a Senior Assistant Deputy Minister who is responsible for engineering and operational functions of the department. This will allow the Deputy Minister to devote more time and effort to inter-governmental and inter-departmental matters affecting policies and programs, as well as major management issues facing the department.

Department Organizational Chart



Alberta
TRANSPORTATION
AND UTILITIES

Prepared by Construction Programming Branch

2.4 Management Philosophy

The management philosophy of the department is to maximize responsibility and authority by moving decision-making as close to the point of implementation as possible. This philosophy is founded on the belief that the success of the department is based on the initiative of individuals at all levels. The integrity and high standards of conduct of management and staff supports the downward delegation of authority.

Consistent with this management philosophy, a fundamental principle of the department is its decentralization to the regions, of the authority to effectively satisfy the transportation requirements of Alberta residents.

The recent reorganization and integration of the department will foster a cooperative spirit, with the department pulling together in the same direction.

2.5 Human Resource Philosophy

People are a key provincial resource and the development of staff is beneficial to both the individual and to the department.

The intent of the department's human resource philosophy is to help all employees achieve their full potential. Department staff should recognize opportunities for innovation and personal initiative to acquire and apply broader knowledge and new skills.

Over the next few years, the department must continue to manage change which will not only require improved productivity and greater innovation but will provide opportunities for individuals to learn.

Confidence in staff could be developed by delegating appropriate authority and by encouraging and reinforcing staff for work well done. A spirit of cooperation and teamwork should be fostered along with equity, honesty and openness to the various cultures and lifestyles of department staff.

2.6 Leading Edge

Alberta is building again. Although the past few years of economic constraint have restricted the department, the future looks bright.

The positive changes that will occur in Alberta's economic environment over the next few years will result in opportunities. The department must be prepared to exploit and capitalize upon these opportunities as a means of providing more effective, superior public services.

This will be most effectively accomplished by applying innovation, research and technology to optimize use of departmental resources and services and building upon past accomplishments and successes.

To ensure that this fundamental component is adhered to, a number of goals and objectives have been developed. They include: the development of specific proposals for the implementation of productivity improvements, to enhance and optimize the existing

human resource plan, to implement a new structure and identify all core staff requirements, to evaluate the effectiveness, efficiency and delivery of existing programs and propose new initiatives, as required, to support the optimum use of resources through innovation, research and technology.

PART 3

Outlooks and Implications

3.0 Outlooks and Implications

3.1 Introduction

Transportation and utility services and systems provide vital links which allow the province's citizens to function. They connect the myriad of daily human activities and are a vital component of what Albertans call "the quality of life". Transportation and utility infrastructure and services in terms of their quality, cost, characteristics and operation are subject to a wide variety of influences and issues, which run the gamut from social/economic issues to institutional/political issues to technological issues from both a planning and engineering standpoint.

In order for the department to maintain a strong, lean, results-oriented focus, all activities must be conducted efficiently, especially in light of the issues and influences which affect the environment in which the department operates. Successful management of change requires the department to recognize that change will occur and to position itself to meet its challenge.

This section examines some of the influences which need to be considered in formulating policies and plans which are forward looking and are responsive to a changing environment.

3.2 Outlooks

3.2.1 The External Environment

Albertans can look forward to a further expansion of economic activity in 1988,

primarily due to export and investment growth. For example, natural gas exports to the United States are expected to increase along with oil exports. In addition, oil and gas prices are expected to improve later in the year.

Looking beyond 1988, prospects for the Alberta economy are even brighter. Demands for oil and natural gas will continue. The energy and agricultural sectors will continue to be sources of strength.

The new Canada-United States Free Trade Agreement will also provide a significant boost to Alberta's growth. This agreement will secure improved access to expanded markets and as such, will provide the foundation for future prosperity.

3.2.2 Social and Demographic Issues

Aging and Population Shifts

The population of Alberta as of June 1, 1987 is estimated at 2,379,900. Alberta's population growth has depended to a great extent on in-migration which will be further affected by oil prices.

During the past year, the 65 - and - over age group rose to 8.4% in the current year from 8.15%. The aging of Alberta's population is further reflected by an increase in the median age from 29.2 to 29.5 during the past year. This aging trend was the result of the "baby boomers" growing older.

With respect to future population growth, steady economic growth and low birth rates will combine to result in slow population growth for Alberta over the 1989 to 1999 time frame. Compared to a population growth rate of about 2.9% per year in the 1970s, growth in the 1990s is expected to average less than 2%.

The location of Alberta's population is also changing. The urban population continues its long term growth relative to the rural population. Currently, 80% of Alberta's residents now reside in urban centres. This is due to the continued trend to fewer farms, and the spin-off effect on small agricultural service centres as well as the location of housing and employment opportunities.

Smaller Household Size

The average family size has been decreasing. Between 1983 and 1987, the average household size declined from 2.70 to 2.67. During this same period, Alberta's population grew by 3.3%, but the number of households increased by about 4.5%. Persons living alone and households headed by women have become the major feature of household growth.

Labour Force Trends

The composition and nature of the province's work force is changing. Although, the total number of employed in Alberta remained virtually constant between November 1985 and November 1986, at 1,135,000, the number of females employed has risen by 13,000 (2.6%), and the number of males has correspondingly dropped.

More women are supporting themselves and their families. Similarly, a growth of 27,000 jobs in the service sector in the past year (+7%) has been matched by declines in employment in other business sectors. This may represent a shift to more lower-paying and part-time positions. It also appears that there is a certain resilience to Alberta's employment which absorbed the oil price shock at least in the short term.

3.2.3 Economic Issues

Introduction

Alberta's economy has gone through some tough times. However, 1987 proved to be a good year and the signs for 1988-90 are positive.

There are some important new opportunities in the Alberta economy. Our enormous reserves of oil sands and heavy oil will become increasingly important. Major developments in the forest sector are underway. The fundamental strength of the agricultural sector will ensure its long term competitiveness.

In general, the future economic picture looks bright, given our resource base, our diversification successes and opportunities created by free trade.

Energy Industry

After a strong showing for most of 1987, oil prices weakened. These price declines temporarily affected Alberta's energy industry and provincial energy revenues.

In the long term, Alberta's oil and gas industry outlook remains optimistic and is showing signs of strengthening. Based on the province's important natural geographic advantages, the remaining conventional oil reserves, and Alberta's huge reserves of natural gas, heavy oil and oil sands, the future looks promising.

Agriculture

Prospects for Alberta agriculture producers in the immediate future are not certain. Alberta's grain industry emerged from a drought only to be hit with lower prices and poorer-than-average crop quality. World oversupply of wheat, more countries self-sufficient in grain, and a price war between the United States and the European Economic Community are fundamental problems facing prairie grain producers. Grain prices may rise this year, but there are also prospects of continued drought.

In the longer term there is potential for a one-third increase in total production tonnages. This is based in part on projected increases in grain consumption in areas other than Canada's traditional export markets, declines in productive acreage in the U.S., and growth in specialty crops.

Long term shifts such as fewer farms and fewer grain delivery points are expected to continue. A continuation of these long term trends toward farm consolidation and fewer delivery points will favor more trucking of agricultural products over longer distances.

Tourism, Forestry and High Technology

The government has targeted tourism, forestry and high technology as the main elements of its diversification strategy.

The province has embarked on several tourism initiatives, including a five year \$56 million Canada-Alberta Tourism Industry Development Agreement. The objective is to make a quantum leap in the tourism revenues captured by Alberta.

Alberta's timber production has grown over the past ten years. This sector of the province's economy will continue to be a major success story. Four new projects have been recently announced which, when completed, will create over 5,000 direct and indirect employment opportunities.

Promotion of high technology and research is the third element of the province's diversification strategy. The province will continue to invest in and support research and development initiatives to expand and build upon our economic base.

Utilities Industry

New electricity generating plants, delayed during the economic downturn, are scheduled for commissioning in the 1989 - 1991 period. While renewed economic growth is stimulating Alberta's demand for electricity, consumer interests will continue to raise concerns about the rate impact of these high cost deferred plants. Both consumer and producer interests will also focus on Alberta's framework for the approval of new plants and their integration into rates.

Changes will be suggested to the planning process and regulatory framework to reduce the uncertainties and risks that have accompanied plant deferrals in recent years. A major challenge for government will be to balance these often conflicting interests and views.

As an outcome of the Small Power Inquiry, an increased number of small developments by independent producers can be anticipated in Alberta. In this initial trial period, regulatory, price and other issues can be expected to be raised with the department.

The gas utility industry will continue to adapt to a deregulated price environment, and to new government guidelines aimed at protecting long term security of supply for core market (residential and commercial) customers. Consumers have benefitted during 1987 - 88 from reduced heating fuel costs because energy price deregulation accompanied soft energy markets. If markets and prices strengthen significantly, pressures for government initiatives for price protection might be expected.

Rural utility co-operatives are also facing a changing and more competitive utility environment. Gas co-operatives, for example, will be adjusting to operating on a full cost recovery basis, without provincial subsidies on gas delivery or billing services. In order to maintain and enhance their shares of the rural market, rural utility co-operatives will seek ways to provide competitively priced services to their members.

3.2.4 Technological Issues

New developments in technology will continue to provide opportunities for improving productivity, enhancing competitiveness and streamlining administrative operations. Challenges will exist in re-educating and retraining the existing work force and at the same time, redefining work and future skills. Advancing technological innovations is also facilitating an information explosion by providing rapid access to increasingly larger amounts of information.

Technological advancements will continue in the foreseeable future. The main emerging themes can be represented by two key points: the need to address the human factor (training and adapting to new technology); and the need to improve staff abilities to manage and use information effectively.

3.2.5 Institutional and Political Issues

The public's view of less government and regulation combined with a drop in budgetary revenues that accompanied the decline in the energy sector, has led to a fiscal policy of reducing government expenditures and involvement in the economy.

On the other hand, the government plays a key role in supporting the transportation and utility infrastructure needed for economic growth and the regulatory framework needed for its safe and orderly development. These have placed conflicting demands on the department. We can expect these trends and constraints to continue.

However, strengthening of the Alberta economy and a better balance in the government's fiscal position could mean new opportunities for the department.

3.2.6 Environmental Issues

The major environmental issue facing the department is that public pressure will be placed on government and big business to mitigate environmental concerns such as waste disposal, pollution, occupational health and safety.

For example, the disposal of toxic, radioactive and solid wastes may pose serious health hazards and threats to the environment. In order to ensure safety, there could be the imposition of more stringent regulations on the transportation and disposal of toxic wastes.

Environmental issues highlight a dilemma that has to be addressed by the public, government and big business. The determination of a reasonable balance between long term environmental considerations and short term economic gain is of prime importance.

3.3 Implications

The social and economic outlooks result in various transportation and utility implications which the department must be prepared to acknowledge and respond to. These include:

- o increasing working populations will result in more travel and increasing traffic pressures;
 - o continued pressure for senior citizen programs;
 - o the provision of roadway and utility infrastructure to support the agricultural, tourism and forestry sectors;
 - o continued demand for programs that reduce the cost of utility infrastructure and fuels in agriculture;
 - o with consumer and producer concerns raised in recent years over the deferral of new electricity generating plants, the department will need to take a lead role in ensuring that appropriate regulatory mechanisms are in place to deal with plant approval and rate issues;
 - o ongoing pressure from rural utility associations for assistance in dealing with a changing and competitive environment;
 - o innovative strategies to aid in the diversification of the economy; and
 - o the preservation and enhancement of infrastructure systems and support programs to foster economic growth and diversification.
- o changing travel patterns and behaviour due to population and demographic shifts;

PART 4

1988 - 90 Strategic Directions

4.0 1988 - 90 Strategic Directions

4.1 Introduction

The next few years will continue to be challenging times. The positive impact of slow growth and our rebounding economy will allow sufficient time to rigorously evaluate the effectiveness of our existing programs and services. This period will provide an opportunity to organize our work in a way which will prepare the department for the future.

In an effort to allow the department to proactively respond to social and economic changes to meet the requirements of its client groups and to chart a clear and stable course for itself in the future, emphasis must be placed upon economic diversification, efficiency and productivity.

4.2 1988 - 90 Departmental Thrusts and Future Directions

In this section, the 1988 - 90 Departmental Thrusts and Future Directions are presented. The 1988 strategic planning process confirmed the relevance of many issues from the previous year. This result is not surprising given that the annual process is intended to confirm the directions of the previous year and thus avoid surprises in the future.

The department's thrusts and directions have been aggregated into three broad categories: **Infrastructure/Support Program** issues involving matters of broad concern regarding the department's products and services,

and issues involving matters related to the role the department plays in supporting economic diversification and; **management** issues involving matters internal to the department and; **communication** issues which focus upon serving the public.

The priority areas and their associated key issues represent a distillation of the department's goals and objectives. This reflects the link between department goals and objectives and the environment in which we operate.

In the following section, each of the 1988 - 90 departmental thrusts and future directions and their associated issues are translated into specific action statements. For each area, a general section is provided in order to establish the background to both the over-riding general strategy and specific action priorities.

Once endorsed, these specific action priorities will be assigned to the responsible divisions and incorporated into Branch plans, individual work plans and annual operational budgets.

A summary of the 1988 - 90 department thrusts and future directions is provided on the following page.

1988 - 90 Departmental Thrusts and Future Directions

Infrastructure/Support Program Issues

Transportation and Utility Development

- To ensure that both the transportation and utilities infrastructure and support programs respond effectively and anticipate the social and economic needs of the public.

Maintenance and Rehabilitation

- To ensure that the existing systems are protected in order to avoid significant deterioration.

Safety Coordination

- To continually evaluate the department's priorities with respect to safety to provide for the most effective support for safety programs and projects.

Municipal Infrastructure

- To ensure the continued cooperation between the department and all municipalities in defining a rational program for transportation system development and maintenance.

Research and Technology

- To continue to support research and development activities that enhance the delivery of the systems and services.

Economic Growth and Diversification

- To continue to recognize the role the department plays in supporting economic growth by providing Alberta with needed transportation and utilities infrastructure and support programs.

Tourism and Forestry

- To ensure that departmental initiatives actively support development of Alberta's tourism and forestry industries.

Management Issues

Productivity Improvement

- To apply technology advances and innovations in order to improve efficiency and productivity.

Information Systems and Technology

- To introduce new technologies and implement new systems that offer opportunities for the department to be more effective and efficient.

Management Development

- To ensure the development of more effective managers for the future.

Staff Development and Training

- To implement innovative approaches to staffing and training development to maintain a skilled, dedicated and highly motivated staff.

Communication and Service to the Public

- To improve communications with our clients in order to provide better services to the public and enhance the department's image.

4.3 Infrastructure/Support Program Issues

4.3.1 Transportation and Utility Development

Alberta has in place a high quality and highly developed transportation and utilities infrastructure and must ensure that both respond effectively to anticipate the social and economic needs of the public.

The department will strive to:

- o inform the government and the public about the benefits of the department's programs;
- o enhance co-ordination of the transportation and utilities planning process within the department and with other agencies and industry;
- o review project priorities, design standards and construction procedures for cost effectiveness, acceptability in light of current economic conditions, department objectives and benefits compared to costs, as a tool in decision making;
- o continue to review its utility support programs in light of changing needs of the rural and agricultural communities and municipalities and Albertans with special needs.

- o develop strategies to retain flexibility in planning and managing the roadway infrastructure by investigating sources of alternative funding for major projects;
- o provide the government with options and advice on the regulatory framework and policies for the development and pricing of utility services that meet social and economic objectives;
- o consider the use of Transportation System Management techniques to extend the capacity potential of the existing system before considering additions;
- o develop and take appropriate steps to implement the government's policy of facilitating small power developments;
- o implement cost recovery in a manner that best serves the interests of customers of rural gas co-ops;
- o be pro-active in ensuring that policies and regulatory frameworks meet and balance the needs of both electricity consumers and producers.

4.3.2 Maintenance and Rehabilitation

The highway system in Alberta is widely recognized as one of the best in North America. It is important that this system be protected to avoid significant deterioration resulting in unplanned high repair costs in

the future. The protection of the province's existing investment requires that rehabilitation and maintenance be given the highest priority possible. Maintenance and rebuild is also a priority for many urban and rural utility systems.

The department will strive to:

- o balance the need to protect the system with the need to ensure economic competitiveness.
- o ensure the identification of appropriate cost-effective solutions to rehabilitation needs;
- o develop criteria and data requirements for an updated maintenance management system;
- o continue to identify privatization opportunities in order to improve maintenance programs;
- o assist rural utility associations with their planning and their ongoing activities, with the broad aim of minimizing and stabilizing costs for members;

4.3.3 Safety Coordination

One of the department's priorities is the safety of the traveling public. The department will continue to work towards providing a safe operating environment for all highway users and improving the performance level of highway users. Other high safety priorities include the safe handling of dangerous goods, the disposal of hazardous

wastes and efforts to ensure that rural natural gas distribution systems are constructed, operated and maintained in a manner that protects public safety.

The department must continually evaluate its priorities with respect to safety to ensure that it provides the most effective support to safety programs and projects.

The department will strive to:

- o continue to develop measures of effectiveness of safety programs and projects;
- o continue to develop an annual priority list of highway intersections, interchanges and hazardous highway conditions requiring safety improvement for incorporation into the capital program;
- o establish the merits and benefits of infrastructure improvements versus motivation and attitudinal safety programs;
- o develop proposals for deterring the alcohol or drug-using driver;
- o clarify and define the responsibilities within the department with respect to emergency planning coordination;
- o continue to encourage safety programs and safe operations and maintenance practices by natural gas utilities to protect employees and the public;

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- o provide timely and effective highway maintenance;
- o increase the department's role in fostering community delivered safety programs; and
- o continue research and testing to improve vehicle safety regulations and the safe handling of dangerous goods;
- o implement the National Safety Code for Alberta;
- o provide input at the federal level into the process of safety policy development.
- o continue to improve vehicle safety and driver attitude.

4.3.4 Municipal Transportation and Utilities

Municipal road and transit authorities have traditionally looked towards the department for technical advice and support. This relationship has assisted municipalities in dealing with issues related to design, materials, planning, construction and traffic operations. In addition, the department also places priority on protecting the considerable investment in municipal road transit and utility systems. It is expected that the overall demand for provincial subsidy for both expansion and maintenance will continue.

The continued cooperation between the department and all municipalities in defining a rational program for system development and maintenance is important. The department will strive to:

- o work with municipal agencies to determine a longer range program for the road and utility systems and encourage all municipalities to prioritize their infrastructure needs;
- o rationalize the secondary road program and identify the base level of funding required to meet the needs of any new program criteria.
- o continue to improve the effectiveness of government by providing an information clearing house of advice to municipalities;
- o provide advisory services to rural utility co-operatives that will assist them in adopting to a more competitive environment.

4.3.5 Research and Technology

The government recognizes the key role of research and development in maintaining the competitiveness of all sectors of the Alberta economy and in fostering growth and diversification.

The department also has an ongoing commitment throughout the organization to supporting and applying research that improves productivity and enhances the delivery of systems and services to the public. Departmental efforts support, both

directly and indirectly, the government's broader economic and fiscal aims.

The department will strive to:

- o maximize the transfer of beneficial new technologies developed by others into operations and activities throughout the department.
- o undertake research and development projects to resolve specific problems.
- o foster linkages with universities, industry, research organizations and other jurisdictions in order to facilitate technology transfer and to undertake research in a cost-effective manner.

4.3.6 Economic Growth and Diversification

The department's contributions to the development of infrastructure systems have significant direct and indirect effects on the province's economic wellbeing and future growth. Finding ways to further the province's economic development will continue to be a major issue facing the department.

The department will strive to:

- o ensure that it develops and supports the development of infrastructure which facilitates economic development projects;

- o ensure that government policies affecting the development of electricity generating facilities support economic objectives; and

- o support the Government of Alberta's stated objectives with respect to tourism, forestry and high technology.

4.3.7 Tourism and Forestry

Tourism and forestry are anticipated to continue to be major growth industries in the province. Contributing factors for tourism's growth include: increased leisure time, higher disposable income, longer lifespans and earlier retirements. The forestry industry is a strong, growing trade. The relative immaturity of Alberta's forest industry will allow us to take advantage of new technologies and new materials and will result in significant expansion of the industry.

The department will strive to:

- o improve transportation services for tourists;
- o upgrade roads into existing and developing priority tourist and forestry areas;
- o play a major role on inter-departmental committees on recreation and tourism and forestry; and

- o investigate the specialized needs of private sector recreation facilities, winter recreation facilities and lumber plants and associated facilities.

4.4 Management Issues

4.4.1 Productivity Improvement

In order to maintain and enhance the quality and service of department programs, greater efficiency within the department's operations must be emphasized. In addition, a strong emphasis on productivity improvement is necessary. To become more competitive in national and international markets, provincial industries and growth areas demand greater productivity within the transportation and utility sectors from a transportation and utility cost reduction perspective.

Department staff have made important contributions to productivity improvements over the last few years. These efforts have been effective, not only within the department but have served as a model for others.

The department must be cognizant of technological advances and apply technology where the greatest measure of productivity can be achieved both to internal efficiency and the productivity of the province's transportation and utilities systems.

The department will strive to:

- o develop a means of encouraging and supporting innovation at all levels in the organization;
- o adopt a formalized program evaluation approach;
- o utilize a benefit/cost approach in determining and establishing priorities.

4.4.2 Information Technology

The rapid development of electronic information technology and micro computers offers opportunities for the department to be more efficient and effective. These have been recognized in all parts of the organization. An ongoing demand exists for major and minor systems development and technology enhancements.

There are a number of trends that will help shape the course of the departmental systems development in the upcoming years. One is the recognition that shared department-wide data bases can reduce costs associated with data collection, reconciliation and analysis. Another is that users have the skills, and the technology is available, to develop systems applications on a decentralized basis. At the same time, there is a continued need for a coordinated approach across the Department.

The department will strive to:

- o establish updated decision-making processes and criteria for priority setting and budgeting for information systems and technology enhancements.
- o facilitate decentralized applications/ data manipulation while maintaining a coordinated approach and avoiding duplication across the department.
- o foster the expanded use throughout the organization of information systems and technology that support the department's productivity and other goals.

4.4.3 Management Development

Department managers require a broad range of skills and knowledge because of the wide range of responsibility and multi-disciplinary nature of the integrated transportation and utilities department. Managers have to be knowledgeable of the relevant technologies and department and Government management processes.

Effective management is especially critical to maintain an experienced and effective work force. Managers must have good staff relation skills. It is the department's intention to ensure the development of effective managers for the future.

The department will strive to:

- o continue to develop managers and executives;

- o establish and promote management development experiences consistent with management roles and levels of responsibility.

4.4.4 Staff Development and Training

The department's roles and functions are continuously evolving and this will influence future staffing requirements. As such staff training and development will continue to be a significant issue for the department. In this dynamic environment, the department needs to examine innovative approaches to staffing, training and career development in an effort to maintain a skilled, dedicated and highly-motivated staff.

The department will strive to:

- o ensure the human resource committees identify future skill requirements and staff needs;
- o continue to improve staff development and training to accommodate anticipated future knowledge, skill and ability requirements;
- o build appropriate staff training into the planning, design and implementation of technological innovations;
- o implement an engineer-in-training program;
- o develop a more formalized approach to rewards and recognition;

- o re-examine current performance appraisal systems for application within the department.

4.5 Communication and Service to the Public

Improving communications with the general public and specific client groups will ensure that programs remain relevant to the needs of the public and that the public is aware of the many high quality services and products provided by the department and its important contribution to the continued economic and social wellbeing of Alberta.

In order to provide the best service possible to its public, it is essential that the department consult on an ongoing basis with its clients in order that the department's publics are informed. Two-way communication is important so that departmental priorities can be established in relation to the needs of various publics.

The department will strive to:

- o continue to emphasize the importance of and provide service to, the public;
- o review programs to ensure they meet today's client needs;
- o develop a mechanism to improve the departments service to clients;
- o become more pro-active in meeting the needs of the public.

4.6 Departmental Status by 1990s - A Conclusion

This Strategic Directions 1988-90 document with its new and ongoing strategic initiatives provides a major challenge to the department in positioning itself towards a future direction - one which builds upon past accomplishments and successes and one which properly translates the broad directions developed.

The following statements should generally portray how the department would want to continue to be perceived by the 1990s:

- o as an active, relevant and key leader in the development and support of economic growth and social change;
- o as a reliable and responsible steward of public roadways and utilities;
- o as an established leader in innovation, research and technology;
- o as a responsible, action oriented, well-managed department.

APPENDIX

**Strategic Directions 1987
Achievements**

The chart on the following pages provides a very brief overview of last year's themes and related issues, plus actions and achievements initiated during the year to respond to the strategic issues. Even though the chart provides only a skeleton overview, it does demonstrate extensive linkages between issues and actions.

As illustrated by the chart, many of last year's issues and actions have become continuing activities. Examples include monitoring demographic profiles and shifts, fostering economic diversification and improving internal productivity through innovation, research and technology. Internal department activities revolving around managing our own resources continues to be an important issue.

THEMES / ISSUES

o Meeting the Needs of a Changing Economy

- Oil, gas and electric utility
- Forestry
- Agriculture
- Tourism

o Maintaining Quality Transportation and Utilities Systems

- Primary Highways and Secondary Roads
- Maintenance and Rehabilitation
- Public Transportation and Airport Development
- Safety

o Responding to Demographic Shifts

o Communicating with the Department's Publics

ACTIONS / ACHIEVEMENTS

- o extension of Farm Water Program
- o Small Power Inquiry
- o Provincial Park Access Program
- o Construction of Rest Areas
- o Adoption of New Highway Weight Regulations
- o Construction of Tourism Resource Roads
- o Roads to Forestry Resources
- o Gas Alberta Cost Recovery Plan
- o Regulatory Reform
- o Extension/Lapses of Heating Fuel Rebate Programs

- o Seatbelt Legislation
- o Pavement Management Systems
- o Rehabilitation Emphasis
- o Privatization Guidelines
- o Transit Productivity Initiatives
- o Gas Utility Operations and Maintenance Survey
- o Implementation of Capital Rebuild Program for Rural Electric Associations

- o Extension of Seniors Home Heating Rebate Program

- o Communications Plan
- o Publicize the Department's Mission Statement
- o Initiation of Strategic Management Newsletter

THEMES / ISSUES

- o Managing Resources

ACTIONS / ACHIEVEMENTS

- o Development of a Human Resource Advisory Committee
- o Resource Reduction Plan
- o Productivity Initiatives continued
- o Department Restructuring and consolidation



